



QUALITY JOBS PROGRAM

THE FACTS

The Quality Jobs Program is an incentive to encourage businesses to locate and/or expand existing operations in Louisiana and create quality jobs focusing on **Louisiana Vision 2020** traditional and seed clusters industries.

ELIGIBILITY

A. To qualify a business must be in one of the following six Vision 2020 cluster industries:

1. Biotechnology and Biomedical
2. Micro-manufacturing
3. Software, Internet & Telecommunications
4. Environmental Technology
5. Food Technology
6. Advanced Materials;

Or, be a **Manufacturer**, NAICS Codes 113310, 211, 213111, 541360, 311-339, 511-512, or 54171;

or, be an **Oil and Gas Field Service Business**, NAICS Code 213112, and must pay at least \$30,000 annually for each new direct job created and business located in Louisiana is the national or regional headquarters of a multi-state business including Louisiana and the Gulf of Mexico;

or, be a business that must or will have sales of at least **75%** of its total annual sales to out-of-state customers or buyers and/or to in-state customers or buyers and the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government;

or, be a business that must or will have sales of at least **50%** of its total annual sales to out-of-state customers or buyers, and/or to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government **and meet one of these provisions:**

1. Must be a business with a NAICS Code having a **direct state employer multiplier of 2.0 or greater** as defined by the Regional Input/Output Multiplier System II;
2. Must be a **Central Administrative Office** in which data processing, customer service, credit accounting, telemarketing, claims processing, other administrative functions are performed;
3. Must have back office operations and telephone call center operations, NAICS Code 56142;
4. Must be a wholesale trade business, NAICS Code 42 and have a distribution center 25,000 square feet or greater;

B. Insurance for **Full time** employees, an employee that works at least 35 hours per week or least 30 hours per week if a Call Center, NAICS Code 56142, a **basic health plan** (basic hospital care and basic physician care) must be offered to all new Quality Job employees within 90 days. The employer **must meet one of these provisions:**

1. Pay at least 85% of the basic health plan premium for employees with annual wages less than \$50,000 that chooses individual coverage and pay at least 50% of the basic health plan premium for employee and dependents (family plan).;

2. Pay at least 70% of the basic health plan premium for employees with annual wages \$50,000 or greater and chooses individual coverage;
3. For applications filed after July 1, 2004, the employer with 50 employees or less and classified in one of the Vision 2020 targeted industries shall not pay less than 50% of the basic health plan premium for individual coverage;

C. Employers must create a minimum of 5 new direct jobs and **must meet one of these provisions:**

1. Employers with greater than 50 jobs must have a minimum of \$500,000 gross annual payroll for new direct jobs within 3 years of the effective date of the contract;
2. Employers with 50 jobs or less must have a minimum of \$250,000 gross annual payroll for new direct jobs within 3 years of the effective date of the contract.

BENEFITS

A. Benefit Rate – the rate will be determined

1. For new direct jobs with pay at least 1 $\frac{3}{4}$ times the federal minimum hourly wage rate (\$9.01), the benefit rate shall be **5%**.
2. For new direct jobs with pay at least 2 $\frac{1}{4}$ the federal minimum hourly wage rate (\$11.59) and **meet one of these provisions**, the benefit rate shall be **6%**.
 - a. The new direct jobs are located in a distressed region designated by Louisiana Economic Development. Such designation shall be maintained for the period of the initial contract and during the renewal contract. To qualify, an employer shall either be located in a distressed region or persons who reside in a distressed region shall fill at least 50% of the new direct jobs.
 - b. The new direct jobs are with an employer categorized in a traditional or seed cluster.

B. Payroll Benefit

1. The **annual** benefit is calculated by multiplying the benefit rate times the gross payroll of the new direct jobs as certified by Louisiana Economic Development.

C. Sales Tax Rebate

1. A rebate of State Sales/Use Tax on materials purchased for new infrastructure, machinery, and equipment purchased during the construction period and used exclusively on site.
2. A portion of the Local Sales/Use Tax is available for rebate with an Endorsement Resolution from the local governing authority. The Resolution must be received prior to the application being approved. Sales tax dedicated to schools or bond indebtedness is not eligible for rebate.

APPLICATION PROCEDURE

- A. An **Advance Notification must be received** by Business Incentives Division **prior** to locating a business, expanding an existing business, or the creation of new direct jobs. A \$100 processing fee must be submitted with the Advance Notification.
- B. An **Application** must be filed on the prescribed form within 90 days of the project beginning or the creation of jobs. An application fee must also be submitted (minimum of \$200, maximum of \$5000).

- C. The application will be presented to the Board of Commerce and Industry for approval, if approved a Contract is entered into between the state of Louisiana and the company for up to 5 years. An option to renew the Contract for an additional 5 years is available.
- D. A **Project Completion Report** is due on the prescribed form no later than **3 months** after the beginning of operations or completion of construction with Louisiana Economic Development.
- E. An **Affidavit of Annual Certification** is due within **90 days** of Contract Holder tax year with Louisiana Economic Development.
- F. Participation in the Louisiana Quality Jobs Program **excludes** the use of the Enterprise Zone Program and the Industry Assistance Program.
- G. The Louisiana Quality Jobs Program will sunset December 31, 2008; therefore, no contracts will be approved after this date.

For additional information contact:

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